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Pittsburgh Business Times - March 1, 2010
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Friday, February 26, 2010

Family Resources acquiring Parental Stress Center

Pittsburgh Business Times - by [Patty Tascarella](#)

Family Resources is acquiring the programs, services and facilities of **Parental Stress Center**, effective March 1.

The nonprofits, both based in East Liberty, focus on the prevention and treatment of child abuse in western Pennsylvania.

PSC's board initiated the discussion that led to the deal last summer, as the economic downturn took a toll, coupled with concerns over the late adaptation of Pennsylvania's budget.

Details of the transaction were not disclosed, but PSC, founded in 1975, had revenue of \$2.02 million for the fiscal year ended June 30, according to its most recent annual report. Expenses were \$2.11 million.

Family Resources, created through the 1986 merger of two local organizations dating back to the 1890s, had revenue last year of \$9.1 million, "breaking even," said Development Director Andi Fischhoff. About 65 percent was from government contracts.

The deal broadens Family Resources' programs and services, and extends its operations into Westmoreland County. It will keep PSC's East Liberty headquarters building, but the PSC name will be limited to one program, "Safe Visit, Safe Families," which is a visitation program for families referred by Family Court.

"The board at the Parental Stress Center has been quite visionary through this process," Fischhoff said. "For two organizations that have such complementary missions and services to become one is really quite an outstanding way for us both to be managing in this environment. It's important that services be maintained and families be served."

Kate Dewey, principal of Downtown-based nonprofit consultant **Dewey & Kaye**, a **McCrorry & McDowell** company, was an adviser on the deal.

"It ensures that the mission of a legacy Pittsburgh organization can survive and thrive, which was not as straightforward in today's economy," Dewey said. "(PSC) had been significantly challenged in terms of making sure they had adequate funding coming in to do the work they wanted to at a high level of quality."

Family Resources Executive Director Walter Smith Jr. will be at the helm. Smith, who joined Family Resources in 1986 and has been in his current post for the past 15 years, was not available.

PSC's 45 employees are expected to join Family Resources, but Executive Director James Thompson III is not coming aboard. Thompson, who led PSC for more than three years, did not seek a post with Family Resources and said he is looking for other opportunities to help children and families within the Pittsburgh area.

"I looked to secure the programs and my staff," he said. "I think this is a strategic step a lot of organizations are going to have to look into. There are so many of us fighting over so few dollars and if we can get together, we can do so much more. You have to take the executive director out of the equation: We muddy the water. If you did things as well as you think you did, you'll find yourself a job."

Robert Teeter, president and CEO of **Teeter & Associates**, a Greensburg-based consultant to nonprofits who was not involved in the **Family Resources/PSC** transaction, believes such deals are the wave of the future.

"There's no question about it," Teeter said. "More and more boards are looking at, 'Can we accomplish our mission in a better kind of way?'"

Teeter and Dewey both expect to see more mergers, acquisitions and other types of combinations.

"I think you're going to see structural alliances that may not look like a traditional merger," Dewey said. "Nonprofits are coming together in some very interesting ways to ensure their sustainability. From back office collaboration to full merger, you'll see creative solutions."

Family Resources

Based: East Liberty
Employees: 245
Budget: \$11 million
Executive director: Walter Smith Jr.
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